

**Yavapai County Community College District
(Yavapai College)**

**Report on Audit of Annual Budgeted
Expenditure Limitation Report**

Year Ended June 30, 2006

**Yavapai County Community College District
(Yavapai College)
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2006**

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ROBERT L. MILLER, C.P.A.
(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

The Governing Board of
Yavapai County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Yavapai County Community College District for the year ended June 30, 2006. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Yavapai County Community College District for the year ended June 30, 2006, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Governing Board, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Miller, Allen & Co., P.C.

November 9, 2006

**Yavapai County Community College District
(Yavapai College)
Annual Budgeted Expenditure Limitation Report - Part I
Year Ended June 30, 2006**

1. Economic Estimates Commission expenditure limitation	\$ 29,756,503
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$ 30,283,630
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>527,128</u>
4. Adjusted amount subject to the expenditure limitation	<u>29,756,502</u>
5. Amount under the expenditure limitation	<u>\$ 1</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _____

Name and Title: Robert E. Lynch, Vice President of Administrative Services

Telephone Number: 928-776-2110 Date January 29, 2007

See accompanying notes to report.

Yavapai County Community College District
(Yavapai College)
Annual Budgeted Expenditure Limitation Report – Part II
Year Ended June 30, 2006

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 29,402,444	\$ 9,312,469	\$ 5,487,349	\$ 14,414,132	\$ 5,423,583	\$ 64,039,977
B. Less exclusions claimed:						
Bond proceeds (Note 2)				10,805,964		10,805,964
Debt service requirements on bonded indebtedness (Note 3)					5,408,788	5,408,788
Proceeds from other long-term obligations (Note 2)		296,624		1,422,275		1,718,899
Debt service requirements on other long-term obligations (Note 3)		86,040		357,863		443,903
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)	247,474	3,269		446,948	14,795	712,486
Grants and aid from the federal government (Note 5)	81,924		4,529,755			4,611,679
Gifts from private agency (Note 6)		45,000	216,266			261,266
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements				686,900		686,900
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 2)				24,469		24,469
Tuition and fees (Note 7)	5,387,773	2,567,665	225			7,955,663
Prior years carryforward (Note 8)	456,617			669,713		1,126,330
Total exclusions claimed	6,173,788	2,998,598	4,746,246	14,414,132	5,423,583	33,756,347
C. Amounts subject to the expenditure limitation	\$ 23,228,656	\$ 6,313,871	\$ 741,103	\$ -0-	\$ -0-	\$ 30,283,630

See accompanying notes to report.

**Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2006**

Note 1 - Summary of Significant Accounting Policies

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21 from the total budgeted expenditures.

The information reported in both the ABELR and the financial statements is derived from the same underlying accounting data. However, the formats of the ABELR and the financial statements differ. The ABELR presents budgeted expenditures, exclusions, and amounts subject to the limitation by fund type as required by A.R.S. 41-1279.07. The financial statements present the net assets, changes in net assets, and cash flows in accordance with U.S. generally accepted accounting principles.

In accordance with the UERS requirements, a note to the ABELR is presented below for any exclusion reported in the Total column on **Part II** that cannot be traced directly to an amount reported in the annual financial statements.

Note 2 - The District claimed the following exclusions: \$10,805,964 for purchases financed with bond proceeds, \$1,718,899 for purchases financed with other long-term obligations and \$24,469 for amounts accumulated for the purchase of land and the purchase or construction of buildings or improvements. These amounts include items that were capitalized as well as amounts falling below the District's capitalization threshold. As a result, amounts claimed as exclusions are greater than the \$11,936,896 reported as purchases of capital assets on the Statement of Cash Flows – Primary Government.

Note 3 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$5,408,788 and \$443,903, respectively.

Both amounts are included in the amounts reported as principal paid on capital debt on the Statement of Cash Flows – Primary Government and interest expense on debt on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, except that interest expense did not include \$280,437 in capitalized interest.

Note 4 - The following schedule presents the exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities.

**Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2006**

Investment earnings reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government	\$ 817,166
Carried forward	(91,621)
Interest income not excludable	<u>(13,059)</u>
Total	<u><u>\$ 712,486</u></u>

Note 5 - The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government and contracts with other political subdivisions.

**Statement of Revenues, Expenses,
And Changes in Net Assets -
Primary Government:**

ABELR:

Government grants and contracts	<u>\$ 4,705,133</u>	Grants and aid from the federal government	<u>\$ 4,611,679</u>
		Total exclusions claimed	4,611,679
		Other revenues (nonexcludable)	<u>93,454</u>
Total	<u><u>\$ 4,705,133</u></u>	Total	<u><u>\$ 4,705,133</u></u>

Note 6 - Of the \$358,063 reported as private gifts on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, only \$261,266 was expended and claimed as an exclusion. The remaining \$96,797 relates to other, nonexcludable revenue.

Note 7 - The District budgets scholarships as revenues, therefore, exclusions claimed for tuition and fees include the amount of scholarship allowances reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government.

Note 8 - Prior years carryforward consists of constitutionally excluded revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

<u>Description</u>	<u>General Fund</u>	<u>Unexpended Plant Fund</u>
Dividends, interest, and gains on the sale or redemption of investment securities		\$ 473,207
Amounts received from the State of Arizona		196,506
Tuition and fees	<u>\$ 456,617</u>	
Total prior years carryforward expended	<u><u>\$ 456,617</u></u>	<u><u>\$ 669,713</u></u>